The Reserve Bank of India also announced other measures in its mid-term review of monetary and credit policy for 1999-2000 to boost credit growth in the economy. These include withdrawal of interest rate surcharge of 30 per cent on import finance in November, 1999 and arrangements for provision of credit to certain sectors like agriculture, exports, micro-credit institutions, small scale industries and housing on reasonable terms.

Phase II of Economic Reforms

716. SHRI RAJUBHAI A. PARMAR:

SHRIMATI VEENA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to launch phase II of the Economic Reforms;

(b) if so, what are the objectives and goals of this phase of the economic reforms; and

(c) the steps being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) The goal of economic reforms is "faster growth with employment and equity". To achieve this, repaid and broad-based growth of 7 to 8 per cent is required which will help eradicate poverty and unemployment. This is possible only by pursuing a bold strategy of economic reforms.

(c) The steps being taken include the setting up an Expenditure Commission, tax reforms, formulation of a fiscal responsibility Act, reforms of bank and financial institutions, a programme for rural connectivity, a National health policy, a water policy, renewed thrust on information technology and promoting efficiency of investments in the infrastructure sectors.

Illegal practices of foreign banks for collection of dues

717. SHRI RAJUBHAI A. PARMAR Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention was drawn to the modus operandi, adopted by agents of some foreign banks called the "customer-assistance specialists", as reported in the Indian Express of

May 27, 1999 to collect the dues on behalf of the banks, which include thrashing, threats to life and coercing the debtors into donating Kidneys and other organs in return for the debt; and

(b) if so, the steps taken by Government to effectively prevent such illegal practices adopted by the foreign banks including the Citi-Bank and Stanchar Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes sir.

(b) Complete information is being obtained from the Reserve Bank of India and will be laid on the Table of the House.

World Bank and IMF aid for various projects

718. SHRI SITARAM KESRI: Will the Minister of FINANCE be pleased to state:

(a) the details of the discussions held at the annual meeting of the World Bank and International Monetary Fund in Washington in September, 1999;

(b) to what extent the World Bank has agreed to provide aid and assistance to India for its various projects; and

(c) whether the World Bank and IMF agreed to India's requirement of assistance during 1999-2000?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) During the Annual Meeting of the World Bank and the IMF; Governors give their views on the state of their respective domestic economies and their views on those international financial and economic issues, which have a bearing on Bank/Fund operations. The Annual meeting for this year was held during 28-30 September 1999. During the meeting, the Bank/Fund governors discussed the issues mentioned above.

(b) and (c) During these meetings, assistance to individual countries (including India) are not discussed. The Annual Assistance program of the World Bank of India is decided on the basis of the projects posed for assistance and their level of preparation. This is discussed and finalized at official meetings, held in New Delhi every year.